

Senate File 242 - Introduced

SENATE FILE 242
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1087)

A BILL FOR

1 An Act relating to matters under the purview of the alcoholic
2 beverages division of the department of commerce, and
3 including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, Code 2011, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 014A. "*Grocery store*" means any retail
4 establishment, the business of which consists of the sale of
5 food, food products, or beverages for consumption off the
6 premises.

7 NEW SUBSECTION. 022A. "*Micro-distilled spirits*" means
8 distilled spirits fermented, distilled, or, for a period of
9 two years, barrel matured on the licensed premises of the
10 micro-distillery where fermented, distilled, or matured.
11 "*Micro-distilled spirits*" also includes blended or mixed spirits
12 comprised solely of spirits fermented, distilled, or, for a
13 period of two years, barrel matured at a micro-distillery.

14 NEW SUBSECTION. 022B. "*Micro-distillery*" means a business
15 with an operational still which, combining all production
16 facilities of the business, produces and manufactures less than
17 fifty thousand proof gallons of distilled spirits on an annual
18 basis.

19 NEW SUBSECTION. 26A. "*Pharmacy*" means a drug store in
20 which drugs and medicines are exposed for sale and sold at
21 retail, or in which prescriptions of licensed physicians and
22 surgeons, dentists, or veterinarians are compounded and sold by
23 a registered pharmacist.

24 NEW SUBSECTION. 32A. "*School*" means a public or private
25 school or that portion of a public or private school which
26 provides facilities for teaching any grade from kindergarten
27 through grade twelve.

28 Sec. 2. Section 123.3, subsection 14A, Code 2011, is amended
29 to read as follows:

30 14A. "*High alcoholic content beer*" means beer which contains
31 more than five percent of alcohol by weight, but not more
32 than twelve percent of alcohol by weight, that is made by the
33 fermentation of an infusion in potable water of barley, malt,
34 and hops, with or without unmalted grains or decorticated and
35 degerminated grains. Not more than one and five-tenths percent

1 of the volume of a "high alcoholic content beer" may consist
2 of alcohol derived from added flavors and other nonbeverage
3 ingredients containing alcohol. The added flavors and other
4 nonbeverage ingredients may not include added caffeine or other
5 added stimulants including but not limited to guarana, ginseng,
6 and taurine.

7 Sec. 3. Section 123.3, subsection 22A, Code 2011, is amended
8 to read as follows:

9 22A. "*Native wine*" means wine manufactured ~~in this state~~
10 pursuant to section 123.56 by a manufacturer of native wine.

11 Sec. 4. Section 123.9, Code 2011, is amended to read as
12 follows:

13 **123.9 Commission meetings.**

14 The commission shall meet on or before July 1 of each year
15 for the purpose of selecting one of its members as chairperson,
16 ~~which member shall serve in such capacity~~ for the succeeding
17 year. The commission shall otherwise meet quarterly or at
18 the call of the chairperson or administrator or, when any
19 three members file ~~with the chairperson~~ a written request
20 for a meeting. Written notice of the time and place of each
21 meeting shall be given to each member of the commission. All
22 ~~commission meetings shall be held within the state.~~ A majority
23 of the commission members shall constitute a quorum.

24 Sec. 5. Section 123.31, unnumbered paragraph 1, Code 2011,
25 is amended to read as follows:

26 ~~Except as otherwise provided in section 123.35, verified~~
27 Verified applications for the original issuance or the renewal
28 of liquor control licenses shall be filed at the time and in
29 the number of copies as the administrator shall prescribe, on
30 forms prescribed by the administrator, and shall set forth
31 under oath the following information:

32 Sec. 6. Section 123.43A, subsection 1, Code 2011, is amended
33 by striking the subsection.

34 Sec. 7. Section 123.46, subsection 1, paragraph d, Code
35 2011, is amended by striking the paragraph.

1 Sec. 8. Section 123.129, subsection 1, Code 2011, is amended
2 by striking the subsection.

3 Sec. 9. Section 123.134, subsection 5, Code 2011, is amended
4 by striking the subsection.

5 Sec. 10. Section 123.141, Code 2011, is amended to read as
6 follows:

7 **123.141 Keeping liquor where beer is sold.**

8 No alcoholic liquor for beverage purposes shall be used,
9 or kept for any purpose in the place of business of class "B"
10 permittees, or on the premises of such class "B" permittees, at
11 any time. A violation of any provision of this section shall
12 be grounds for suspension or revocation of the permit pursuant
13 to section 123.50, subsection 3. This section shall not apply
14 in any manner or in any way, ~~to any railway car of any dining~~
15 ~~car company, sleeping car company, railroad company or railway~~
16 ~~company, having a special class "B" permit,~~ to the premises
17 of any hotel or motel for which a class "B" permit has been
18 issued, other than that part of such premises regularly used by
19 the hotel or motel for the principal purpose of selling beer
20 or food to the general public; or to drug stores regularly and
21 continuously employing a registered pharmacist, from having
22 alcohol in stock for medicinal and compounding purposes.

23 Sec. 11. Section 123.142, unnumbered paragraph 1, Code
24 2011, is amended to read as follows:

25 It is unlawful for the holder of a class "B" or class "C"
26 permit issued under this chapter to sell beer, except beer
27 brewed on the premises covered by a special class "A" permit or
28 beer purchased from a person holding a class "A" permit issued
29 in accordance with this chapter, and on which the tax provided
30 in section 123.136 has been paid. However, this section does
31 not apply to ~~the holders of special class "B" permits issued~~
32 ~~under section 123.133 for sales in cars engaged in interstate~~
33 ~~commerce nor to class "D" liquor control licensees as provided~~
34 in this chapter.

35 Sec. 12. REPEAL. Sections 123.35, 123.133, 123.153,

1 123.154, 123.155, 123.156, 123.157, 123.158, 123.159, 123.160,
2 123.161, and 123.162, Code 2011, are repealed.

3 Sec. 13. EFFECTIVE UPON ENACTMENT. The section of this
4 Act amending section 123.3, subsection 14A, regarding the
5 definition of high alcoholic content beer, being deemed of
6 immediate importance, takes effect upon enactment.

7 EXPLANATION

8 This bill makes several changes regarding matters under the
9 purview of the alcoholic beverages division of the department
10 of commerce.

11 The bill deletes definitions of grocery store,
12 micro-distillery, micro-distilled spirits, pharmacy, and school
13 contained in respective provisions within Code chapter 123, and
14 inserts the definitions into the general definitions section
15 for the chapter in Code section 123.3. The bill modifies the
16 definition of native wine contained within Code section 123.3
17 to remove reference to wine manufactured "in this state",
18 instead providing that "native wine" means wine manufactured
19 pursuant to Code section 123.56 by a manufacturer of native
20 wine.

21 The bill modifies the definition of high alcoholic content
22 beer to specify that not more than 1.5 percent of the volume of
23 such beer may consist of alcohol derived from added flavors and
24 other nonbeverage ingredients containing alcohol, and that the
25 added flavors and ingredients may not include added caffeine
26 or other specified added stimulants. The bill makes this
27 modification effective upon enactment.

28 The bill amends provisions governing meetings of the
29 alcoholic beverages commission, providing that the commission
30 shall meet to elect a chairperson on or before July 1 annually,
31 rather than on July 1 under current law. The bill provides
32 that the commission shall otherwise meet quarterly, or at any
33 time called by the administrator of the division in addition
34 to the chairperson. The bill deletes a current provision
35 prohibiting commission meetings from being held outside of the

1 state.

2 The bill repeals Code section 123.35, which had prescribed
3 simplified application forms for the renewal of liquor control
4 licenses, wine permits, and beer permits when qualifications
5 had not changed since the license or permit was originally
6 issued. The bill also repeals Code section 123.133 providing
7 for the issuance of a special class "B" permit for the sale
8 of beer on trains, and deletes a provision which currently
9 states that Code section 123.141, regarding keeping liquor at
10 a location where beer is sold, shall not be applicable to any
11 railway car of any dining car company, sleeping car company,
12 railroad company, or railway company in possession of a special
13 class "B" beer permit. The bill makes conforming changes
14 consistent with the repeal of these Code sections.

15 The bill additionally repeals Code sections 123.153 through
16 123.162, comprising division IV of Code chapter 123, entitled
17 "Warehouse Project". The provisions allowed the alcoholic
18 beverages commission to issue revenue bonds for a one-time
19 warehouse project.